

## Session Edition XI, 2004

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House Committee Activity: March 29 - 31, 2004

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*Representatives Jerome Cochran, Russell Johnson and Paul Stanley listen to proceedings during this week's House Judiciary Committee meeting.*

## In This Week's *Review*:

### Committee Activity

And

### Final Summaries of Budget Hearings

TennCare

TennCare Oversight

## **Agriculture**

*Matt Barnes*

### **Full Committee**

At the **Agriculture Committee** meeting on Tuesday, Chairman Davidson announced the committee would meet for the last time next week. He also recognized students from Murray State University, Western Kentucky University, and the U.S. Smokeless Tobacco Leadership Class.

*Last Scheduled  
Meeting for the  
Agriculture  
Committee:  
April 6th.*

- Passed to Calendar and Rules:

**HB 3461** (McMillan) allows the county or city dog pounds discretion to euthanize seized dogs if not claimed after two days instead of requiring such.

**HB 1675** (Davidson) enacts the "Tennessee Processing Cooperative Law." The bill, as amended by two amendments, allows cooperatives to be formed by patron and non-patron members similar to current Tennessee law regarding limited liability companies. The committee went into recess to hear from Dan Elrod when a question arose as to the tax implications of a system based on limited liability companies. Mr. Elrod said the cooperatives must gain approval of the commissioner of Agriculture and demonstrate they are bona fide organizations set up to promote Tennessee agriculture, not shelters for tax evasion.

- Rolled for one week:

**HB 2886** (McCord) enacts the "Horse Industry Promotion Act," allowing for a statewide referendum, conducted by the commissioner of Agriculture, to determine whether horse owners wish to levy upon themselves an assessment for the creation of a program designed to promote and protect the equine industry through research and education. Rep. McCord said the referendum is similar to what the Tennessee Beef Council did to promote the sale of beef.

However, Don Dowdle, publisher of the *Midsouth Horse Review* for the past twelve years and member of the Tennessee Horse Council, said the situations are not the same in that horses are not sold for beef. Speaking on behalf of horse owners, he called the assessment a "tax" that owners would not want. Further, he said no money exists to notify owners of the referendum if it passed.

Rep. McCord said he would not try to pass a tax and that it is simply a referendum. Anita Scott of the Tennessee Horse Council said notification would have to be up to the department and that the bill should be passed, among other reasons, because no rescue or neglect program currently exists to protect horses like that for cats and dogs.

The committee ran out of time and will take up the discussion again next week.

## **Children & Family Affairs**

*Shannon Romain*

### **Full Committee**

In the full committee, **HJR 0890** (Rep. Cooper) was referred to Finance, Ways and Means. As amended, the resolution creates a special committee to review research and data regarding the over- representation of minorities in Tennessee's juvenile justice system. The committee will also develop strategies to address the subject matter. **HB 2614** (Rep. Dubois) was referred to Calendar and Rules. As amended, the bill directs the administrative offices of the court, in conjunction with others, to conduct a comprehensive study on the development of a standardized parenting plan form. A written report of the office's findings shall be completed by January 11, 2005 and a copy shall be presented to the members of the general assembly. The amendment makes the bill.

**HB 2739** (Rep. Bunch) was also referred to Calendar and Rules. As amended, the bill clarifies the legislative intent of a provision of the grandparent visitation law. Pursuant to the legislation, a grandparent is not required to present an expert witness to establish that a significant relationship exists between the grandparent(s) and the child, nor to prove that severance of the relationship is likely to result in substantial harm to the child. The court is required to use a reasonable person standard to decide such facts. The amendment makes the bill. **HB 1642** (Rep. West), providing that parties to a divorce on the ground of irreconcilable differences do not have to be present at the final hearing if the court approves the marital dissolution agreement and the agreement has been signed by both parties for at least thirty (30) days before the final hearing, was also referred to Calendar and Rules.

*continued*

## Family Justice Subcommittee

In the **Family Justice Subcommittee**, one bill was referred to the full committee. **HB 3102** (Rep. Bunch) prohibits a stay of an interlocutory or final judgment of a court that affects the custody of a child unless the court issuing the judgment orders the stay.

**HB 2257** (Rep. Bowers) failed. The legislation would have given the court the widest discretion in custody arrangements and created a rebuttable presumption that equally shared parenting time is in the best interest of the child unless the court finds evidence to the contrary or the parents have agreed in open court. Under present law, the court makes determination on such evidence using the clear and convincing evidentiary standard. **HB 2257** lowered the standard to "preponderance of the evidence" for making such determinations.

The following bills were deferred to the final calendar scheduled for next week:

**HB 1931** (Rep. Bunch)  
**HB 1932** (Rep. Bunch)  
**HB 1463** (Rep. Brown)  
**HB 2245** (Rep. Vincent)  
**HB 2543** (Rep. Fowlkes)

*Family Justice  
has one more  
scheduled  
meeting.*

## Domestic Relations Subcommittee

In the **Domestic Relations Subcommittee**, **HB 1464** and **2666**, both by Rep. R. Johnson, were amended and referred to the full committee. **HB 1464** adds licenses to operate motor vehicles to the list of licenses that may be revoked for failure to comply with a visitation order. **HB 2666** pertains to modifications of residential parenting schedules. Under present law, residential parenting schedules may be modified if there is a material change in circumstances. **HB 2666** clarifies that a material change of circumstances does not require a parent to show there is a substantial risk of harm to the child. It may include, but is not limited to, significant changes in the needs of the child based on the child's age, the parents' working or living conditions as well as failure to adhere to the parenting plan.

*Domestic Relations  
also has one more  
scheduled meeting.*

## Commerce

*Matt Barnes*

### Full Committee

The **Commerce Committee** took the following actions at its Tuesday meeting.

- Passed to Calendar and Rules:

**SJR 64** (Herron) urges Congress to require that government uniforms and equipment be manufactured in this country. Rep. Borchert presented the resolution.

**HB 2347** (Kent), as amended, allows the statewide building construction safety standards to be taken from amended versions of nationally recognized publications, so long as they are designed to afford a reasonable degree of safety to life and property. These standards shall apply if local government building construction safety code publications are not current within seven years of the latest editions unless approved otherwise by the state fire marshal.

**HB 2755** (Bunch), as amended, provides that whenever a time-share estate program is part of a subdivision that has a board of directors and property owners association, the board shall represent the same proportion of time-share units, developed lots and non-developed lots as represented in the entire subdivision. The number for each type of ownership shall not be less than one. Rep. Bunch pointed out this bill has no effect on real property subdivisions, that it only affects resort areas or time-share estates as defined by federal law.

**HB 2892** (Head), as amended, requires incumbent local exchange telephone companies establishing rates and/or terms to file tariffs with the TRA, such tariffs becoming effective 21 days after filing, subject to certain conditions. A second amendment allows the TRA to suspend a tariff pending hearing with or without a complaining party, as Chairman Head pointed out is currently the case.

**HB 3234** (McKee) exempts from health mandates those insurance plans that provide only major medical coverage for catastrophic illness requiring in-patient hospital care. Such plans would not be exempt from specified mandates that are necessary for basic health care. Chairman McKee pointed out this bill comes as a result of this past summer's study committee. He said the bill is not intended to replace current policies that are subject to mandates. He also said the Department of Commerce and Insurance must first give its approval.

**HB 3502** (McMillan) is an administration bill that requires licensing for alarm systems contractors every two years instead of annually. Secretary Ferguson handled this bill in Leader McMillan's absence.

**HB 3505** (McMillan) is an administration bill that requires private investigators seeking biennial renewal of their licenses to complete 12 hours of continuing professional education as a prerequisite for renewal.

- Rolled:

**HB 2870** (Shepard), which expands the entities covered by the "Any Willing Provider" pharmacy access statute, generated lots of discussion. Presently, issuers of health insurance and managed health insurance are prohibited from denying the right of any licensed pharmacy or pharmacist to participate in pharmacy plans under the same terms and conditions as other pharmacy providers. What triggered the discussion was an amendment the committee adopted that includes the state and its political subdivisions in the prohibition.

Rep. Shepard claimed the original intent of the law was to include the state and its political subdivisions, but Memphis city attorney Sarah Hall argued the bill would cost Memphis \$700,000 per year, a cost that would be passed along in the form of premium increases. Rep. Shepard said the bill, which has a minimal fiscal note, would protect local pharmacies' interests against the move towards mail order pharmacy plans, or the type of plan to which the city of Memphis subscribes. Further, he predicted the state, in its transition to mail order pharmaceuticals, would not end up saving much money.

The committee adopted an amendment to the amendment that TennCare, which is not exempted from the bill, requested. Rep. Shepard said the amendment allows for flexibility and ensures a level playing field for mail order and retail providers regarding co-pays. The bill was rolled to the committee's last calendar.

**HB 3240** (Wood) prohibits privately owned public utilities that supply water to municipal governments from charging those governments for hydrant services when the governments provide fire protection services. Rep. Wood said Fiscal Review is reviewing an amendment adopted in subcommittee, an amendment he said makes the provisions applicable only to Chattanooga. The bill was rolled for one week.

**HB 3405** (Hargrove) limits the amount of a lien a residential contractor may file against residential

property for the construction of a new home. As he stated in subcommittee, Chairman Hargrove said he would hold the bill for now since the parties are still working on it. The bill was rolled for two weeks.



*Chairman Hargrove*

### **Industrial Impact Subcommittee**

The **Industrial Impact Subcommittee** sent four bills to full committee this week.

**HB 3233** (McKee) requires health insurance companies to verify to medical providers, within a reasonable period of time, that a claim has been received. An amendment will follow the bill, altering the fiscal note.

**HB 2513** (McKee) adds McMinn County to those counties under present law where motor vehicle racing is permitted no more than three days a week. If racing is conducted on those three days, one of those days must be a Sunday. Specific times for that type of racing are already outlined in the Code.

**HB 3361** (Curtiss) went to full committee with an amendment. The bill enacts the "Health Insurance Mandated Benefits Review Act" and specifies that the Fiscal Review Committee will evaluate all bills containing mandated health benefits and their potential impact on the cost of health insurance premiums.

**HB 2967** (Fitzhugh), with an amendment, requires Blue Cross/Blue Shield to include in its provider networks all hospitals participating in TennCare if the hospitals agree to terms comparable to those agreed to by other network hospitals. Blue Cross/Blue Shield would be prohibited from being eligible to participate in the state employee health insurance plan unless it permitted such hospitals to be contracted providers. Rep. Fitzhugh said the bill attempts to solve a problem that has affected West Tennessee in particular.

The committee spent a good deal of the hour listening to testimony on **HB 2430** (Overbey). The bill, as amended, requires health insurance companies to offer coverage for bariatric surgery - and any gastrointestinal surgery identified under FDA guidelines - for the treatment of morbid obesity. Rep. Overbey asked that the subcommittee go into recess to hear from Dan Cohen,

Vice President of Global Government Affairs, and Dr. Ponce, a bariatric surgeon from Memorial Hospital in Chattanooga. They spoke on the health dangers of morbid obesity, and how treatment can lead to longer lives and a reduced incidence of high blood pressure, diabetes and other conditions. The bill was rolled to next week so members can discuss this further.

- Other bills rolled were:

**HB 2732** (Bunch) requires health insurers to give providers their rate schedules within 30 days of a written request.

**HB 1482** (Armstrong) requires architects and engineers to oversee construction phases of buildings and structures over three stories.

**HB 2314** (Head) provides guaranty fund coverage on excess insurance purchased by a group made up of cities, counties, housing authorities, utility districts, volunteer fire services and electric cooperatives.

**HB 1246** (J. DeBerry) prohibits termination of insurance coverage upon divorce, annulment or separation of spouses.

Taken off notice were **HB 3334** (Maddox) and **HB 3349** (Overbey). Both bills are similar to other bills presented before the committee. Designated for further study was **HB 0858** (Brown) allowing providers to be reimbursed from the date they apply for credentialing within an MCO network, as opposed to the date such applications are approved.

Chairman McKee announced that April 6<sup>th</sup> (next week) would be the last scheduled meeting date for Industrial Impact.

***Last Scheduled  
Meeting of  
Industrial  
Impact:  
April 6th***

### **Small Business Subcommittee**

The **Small Business Subcommittee** held its last meeting on Wednesday.

- Passed to full committee:

**HB 3132** (Turner, B.) has an amendment that re-writes the bill and requires all alarm system contractor employees to pass the National Burglar and Fire Alarm Association Level 1 training or equivalent training. Current employees must complete the training within two years of the effective date of the bill, while new

employees must complete the training within one year of employment. The amendment also takes care of the \$4,000 original fiscal note, taking whatever costs are involved out of existing reserves. Rep. Todd expressed concern that the bill might adversely affect small businesses. The sponsor said she would hold the bill in full committee if trouble arose.

**HB 3230** (Harmon) provides tax credits for sales and use tax payments related to research and development in the fields of advanced computing, biotechnology, electronic device technology, and environmental technology. Since this was the last meeting of the subcommittee, Rep. Harmon said he would like the bill to be passed to full committee but that he would hold it there if the concerns, particularly by the administration, were not worked out.



***Rep. Harmon***

**HB 3284** (Mumpower) exempts licensed telecommunications contractors from the requirement that they be licensed as an alarm systems contractor if less than 50 percent of their work is related to alarm systems. Just like with HB 3132, Rep. Todd expressed concern over this bill's potentially adverse effects on small businesses. The sponsor said he brought this bill on behalf of a small alarm contractor in his district and that the problems will hopefully be worked out so that he would not have to attempt to move the bill out of full committee.

- Taken off notice:

**HB 1374** (Sharp) proposed the authorization for the city of East Ridge to sell Class C common fireworks at retail. Chairman Ferguson pointed out the bill failed in the Senate and that the subcommittee would gladly take up the bill again if the Senate acted on it.

**HB 2434** (Ferguson) proposed licensing for home inspectors and a board for such.

***The Small Business Subcommittee is now closed.***

*continued*

## Utilities and Banking Subcommittee

Chairman Hargrove chaired the **Utilities and Banking Subcommittee** on Tuesday in Chairman Curtiss' absence. The subcommittee sent one bill to full committee.

**HB 3377** (Fitzhugh) extends the reporting deadline of the predatory lending joint committee from February 28, 2004, to May 1, 2005. Rep. Fitzhugh said the extension was needed since the task force is still trying to reverse the federal preemption rule handed down earlier this year.

- Rolled for one week:

**HB 2931** (Rinks) increases electrical inspection fees.

**HB 1208** (DuBois) directs the TRA to create a registry for those not wanting to receive unsolicited e-mail messages.

**HB 2569** (Hackworth) clarifies that financial institutions are deemed to be doing business in Tennessee if they regularly solicit business from customers in this state using electronic communications.

**HB 724** (Curtiss), as the sponsor explained last week, is the result of the ad hoc committee for plumber licensing that met last summer. He said the parties have finally come together and agreed on an amendment to the bill that establishes the limited licensing guidelines. Meredith Sullivan, legislative liaison for the Department of Commerce and Insurance, also spoke last week. She mentioned the administration's plan to review the efficiency of all the regulatory boards this summer. She said this bill, if passed, would be added to such plans since it contributes to the duties associated with the Board for Licensing Contractors.

- Rolled to last calendar:

**HB 2518** (Turner, M.) is a consumer protection bill requiring notice to certain homebuyers that a house lies in a flood plain or did before being raised. Rep. Turner said he is still working with the realtors and bankers on an amendment.



*Rep. Turner*

## Conservation & Environment

*Greg E. Adkins*

### Full Committee

The **full Environment Committee** met on Tuesday, March 30, 2004, and considered five bills. **HB 2285** by Rep. Vincent passed to FW&M as amended. The amended bill would authorize any county which is not in the state's computer system (CAAS), to enter into contract or inter-local agreement with the county in which the municipality is located to bill and collect storm water fees for the municipality as a designated item on the ad valorem tax notice issued by the county trustee. **HB 3495** by Rep. McMillan & Rep. McDonald passed to FW&M as amended. The amended bill allows the Commissioner of TDEC to purchase services for state park operations without the approval of any other state agency. The amended bill also clarifies that the new law shall not be construed to allow the department to contract for services previously accomplished for the parks by state employees.

**HB 2731** by Rep. Bunch was rolled to the next-to-last full committee calendar. (It permits children under 18 years of age to obtain a hunting and fishing license without a social security number.) **HB 3067** by Rep. Hagood was rolled one week. (The amended bill would appropriate \$6 million from the general fund to pay for incentives of 30 cents a gallon to ethanol producers who purchase grain from Tennessee in order to make motor fuel that contains at least 10% ethanol.) **HB 3096** by Rep. Todd was rolled to the last full committee calendar. (The amended bill would insure that TDEC files a master plan within two years of a new natural area designation. The amendment also mandates that if the special characteristics of the natural area change to the detriment of the area, the department shall submit changes to the General Assembly for reconsideration).



*Rep. Todd*

### Environment Subcommittee

The **Environment Subcommittee** met on Tuesday, March 30, 2004, and considered seven bills. **HB 2327** by Rep. McDonald passed to full committee as amended. The amended bill creates a new division within TDEC under the water resources division; the new division

shall have the authority and responsibility to request and receive information from other branches of state government to prepare a complete inventory of all existing water infrastructure and their financial condition. The division is also authorized to create a revolving loan fund for rural water infrastructure development and prepare a statewide water plan for potable water. **HB 2525** by Rep. Hawk was taken off notice. (It changes definition of "water" to those waters which have been adjudicated as legally navigable.)

The following bills were rolled one week: (1) **HB 222** by Rep. Turner (Davidson) (amended to mandate the use of SMZ's as a best managed practice technique for water quality violations), (2) **HB 1159** by Rep. McDonald (chipmill regulation), (3) **HB 3498** by Rep. McMillan (expands vehicle emission regulation in non-attainment areas of the state) (4) **HB 3206** by Rep. Coleman (amended bill clarifies that TDEC is authorized to issue a stop work order for surface coal mining activities when the mining activities cause actual violations of water quality regulations), and (5) **HB 3037** by Rep. Head (underground storage tank regulation).

### **Parks Subcommittee**

The **Parks Subcommittee** did not meet.

### **Wildlife Subcommittee**

The **Wildlife Subcommittee** did not meet.

## **Consumer & Employee Affairs**

*Shannon Romain*

### **Full Committee**

The **Consumer and Employee Affairs** full and subcommittees met this week. One bill was referred out of the full committee. Rep. Davidson presented **HB 3506** (Rep. McMillan). The bill clarifies that for unemployment compensation purposes, a domestic service worker on a farm is not the same as an



*Chairman West*

agriculture worker and therefore, is not subject to the laws governing unemployment compensation for agricultural workers.

### **Consumer Affairs Subcommittee**

In the **Consumer Affairs Subcommittee**, **HB 0749** (Rep. Buttry) was amended and deferred one week. The bill is the latest attempt to pass the apartment submetering legislation that has been before the general assembly for a number of years. The committee heard preliminary testimony on the bill and deferred it until next week so that members may meet with concerned parties to discuss the effects of prospective amendments.

### **Employee Affairs Subcommittee**

In the **Employee Affairs Subcommittee**, **HB 3503** (Rep. McMillan), presented by Chairman West, was referred to Finance, Ways and Means. An administrative bill, the legislation changes the industrial classification used to determine the reserve ratio for computing a new employer's unemployment insurance premiums. Formerly calculated under the Standard Industrial Classification code, the ratio will now be calculated under the North American Industry Classification System and may reduce premiums. All other bills on the calendar were deferred.

## **Education**

*Pam Mason*

### **The Full Committee**

The **Education Committee** met on Wednesday, March 31. The committee considered its calendar and heard a report on middle school issues. Calendar actions follows.

Referred to Calendar & Rules:

**HB 2428** - (Winningham) allows all local school board members to participate in group insurance, not just those applying before July 1, 2001.

Referred to Calendar & Rules, as amended:

**HB 2865** - (Winningham) has the Tennessee Higher Education Commission develop a statewide master plan for future development of higher education. Goals for development of this plan include but are not limited to the following.

1. Increase educational attainment levels of Tennesseans
2. Improve retention and graduation rates
3. Create linkages with regional economic and community development entities
4. Increased degree production in areas central to the public agenda
5. Create improved linkages with K-12 education to ensure students are prepared for post-secondary
6. Increase participation in adult literacy programs
7. Broaden research and development initiatives in areas central to the public agenda

The bill calls for development of policies and guidelines for fair and equitable distribution of public funds among state institutions to further the goals set forth. The commission is to review and revise the current formulae and provide the Senate and House Education

Committees with a report on its progress each session of the 104th General Assembly. This will be used to help determine higher education appropriations no later than 2006-2007.



Referred to Finance, Ways & Means:

**HB 3319** - (Curtiss) enacts the Higher Education Accountability Act of 2004. The measure directs the UT Board of Trustees and the TBR to prepare quarterly reports. The report includes all discretionary expenditures. Exceptions to fiscal spending or travel policies by the chancellor or president are restricted. Requires both systems to have an audit committee and an internal auditor who shall report directly to the committee or board. The auditor would be required to establish a process by which all parties may confidentially report any questionable activity. It applies present law "whistleblower" provisions to higher education employees. It allows for removal of any members of the boards for neglect of duty upon a petition of the Governor and a majority vote of the respective boards.

**HB 2586** - (Hagood) adds two faculty members to the Tennessee Higher Education Commission for two-year terms. One member will be a voting member and one will not. The voting member will rotate between UT and TBR.

Deferred 1 week:

**HB 3340** - (Maddox)

Deferred 2 weeks:

**HB 3185** - (Rinks)

The committee heard a presentation on Middle Grade Education. A further report will be presented in the April 7 meeting.

### **Higher Ed Subcommittee**

There were six items on the March 30 subcommittee calendar. The following actions were taken.

Recommended to Full Committee:

**HB 2867** - (Fitzhugh) adds the Tennessee Foreign Language Institute to those institutions where a state employee may take one (1) free course per term.

**HB 2853** - (Winningham) requires university foundations to adopt a code of ethics. This bill also provides a method for removal of board members who violate adopted codes.

Deferred 1 week:

**HB 3338** - (Maddox)

**HB 2686** - (Curtiss)

**HB 2689** - (Curtiss)

**HB 3001** - (DuBois)

### **K-12 Subcommittee**

The **K-12 Subcommittee** met at its regularly schedule time on Tuesday. The following actions were taken.

Recommended to Full Committee:

**HB 3126** - (Hagood). If amended, this bill will authorize the commissioner of education, with certain provisions, to allow a public school to operate educational programs that emphasize school-based decision making and creations of small learning communities. The bill would allow eight (8) such schools in each division of the state. This measure also enables federal dollars to be pulled down for such programs and makes the schools eligible



for foundation dollars. The bill was further amended that these schools cannot be converted to charter schools.

Deferred 1 week:

**HB 3430** - (McCord)  
**HB 2660** - (Briley)  
**HB 2976** - (Jones, U)  
**HB 2978** - (Jones, U)  
**HB 3523** - (McMillan, Turner, L)  
**HB 2628** - (Black)  
**HB 2607** - (Winningham)  
**HB 2759** - (Towns)  
**HB 2818** - (Turner, L)  
**HB 2819** - (Turner, L)  
**HB 2979** - (Towns)  
**HB 3341** - (Maddox)  
**HB 2409** - (Winningham)  
**HB 2422** - (Kernell)  
**HB 2854** - (Winningham)  
**HB 3261** - (Winningham)  
**HB 2615** - (DuBois)  
**HB 1302** - (Hackworth)  
**HB 2783** - (Fowlkes)  
**HB 2561** - (Winningham)

## **Finance, Ways & Means**

*Julie Travis*

### **House Finance, Ways, and Means Committee** **Tuesday, March 30, 2004**

The full committee met on Tuesday to discuss 31 bills on the full committee's Regular and "Consent" calendars. Two of the bills were on the committee's consent calendar and were referred to Calendar and Rules: **HJR 837 (Maddox)** and **HJR 870 (Hood)**.

**HB 3529 (McMillan)** and **HB 2601 (Godsey)** were both rolled for one week at the request of the sponsors.

Those bills deferred for two weeks include: **HB 3176 (McMillan)**, **HB 2387 (Curtiss)**, **HB 1166 (Towns)**, and **HB 2400 (Hargrove)**.

**HB 3510** and **HB 3537** (both by **McMillan**) were inadvertently placed on the full committee calendar. They were sent to the Budget Subcommittee and were heard in the subcommittee on Wednesday.

### **The following bills were referred to Calendar and Rules Committee:**

**HB 3546 (McMillan)** -- As amended in Full Committee, this Administration Bill authorizes the Commissioner of the Department of Finance and Administration to deny or limit carry forwards of the Department of Transportation necessary to fund expenditures for FY04-05. Currently, this authorization expires at the end of FY03-04. Additionally, the amendment would increase the state share on projects under the bridge grant program from 70% to 80% and lower the local share from 30% to 20%.

**HB 2880 (Hood)** -- As amended in Full Committee, this bill names the classroom building at the Tennessee Fire Service and Codes Enforcement Academy as the Andy Womack Building. The costs associated with the erection of the sign are specified in the amended version of the bill to be covered using non-state funds.

**HB 2874 (McCord)** -- This bill expands the types of improvements that municipalities may so finance to include the "undergrounding of electrical and other similar overhead utility cables, including streetscape improvements". By defining this as an "improvement", it can then be undertaken and financed through bond issuance by municipalities and for which assessments can be made against the benefited properties for the cost of such an improvement. It is permissive for local governments.

**HB 2517 (M. Turner)** -- This bill expands the statutory exemption for telephone solicitations conducted by non-profit organizations to include telemarketers calling on behalf of non-profit organizations. Conforms Tennessee DO NOT CALL exemption to FTC telemarketing sales rule made by non-profit organizations. As amended in Commerce, it clarifies that telephone solicitation does not include voice communications to any residential subscriber if the communication is made by a bona fide member, volunteer, employee, or authorized representative of a not-for-profit organization exempt from paying taxes under the Internal Revenue Code 501(c), provided that such authorized representative complies with the registration requirements of TCA 65-4-405(d)(1), DO NOT CALL program.

**HB 3379 (Coleman)** -- This bill provides that persons in the private sector and non-criminal justice agencies may

obtain criminal history information from intrastate sources after submitting all known identifying information for a person and a fee to the Tennessee Bureau of Investigation. The fee will be set at \$29.00 per inquiry. Proceeds from the fees will be used to offset this service and other expenditures related to the operational costs of the Tennessee Bureau of Investigation. Criminal history information compiled by the Tennessee Bureau of Investigation from intrastate sources shall be available to criminal justice agencies for criminal justice purposes free of charge.

**HB 2683 (Curtiss)** -- This bill specifies that the purpose of local veteran service offices is to advise veterans of the United States armed forces rather than veterans of all wars in which the United States participated as under current law.

- Specifies that such service offices are to be staffed by accredited veterans service officers.
- Provides that the senior accredited officer serving in a county veterans service office may receive compensation commensurate to the compensation paid to heads of county government departments of comparable size and that the staff personnel of such office may receive compensation commensurate to the compensation paid to county government employees in comparable positions.
- Requires veteran service officers to be honorably discharged veterans of the United States armed forces rather than veterans of all wars in which the United States participated as provided for in current law.

**HB 3229 (West)** -- This bill, as amended in Health & Human Resources, rewrites the current anti-rabies statute that was enacted in 1953, to provide statutory authority to the current policies and practices of the Dept. of Health. The bill also provides definitions and enforcement actions that are consistent with current practices, and allows local governments to implement and charge fees for animal registration.

**HB 2553 (Baird)** -- This bill provides for a special allocation of the state sales tax to property owned by the Tennessee Valley Authority, over which an easement has been given to the State of Tennessee and the State has leased its rights to a county for development. As amended in Full Committee, Campbell County has to pay the one-time costs of \$8,250 for the software changes necessary with the implementation of the bill.

**HB 2744 (Fitzhugh)** -- As amended in Full Committee to take care of a typographical error, this bill is the omnibus bill from the Council on Pensions and Insurance that clarifies compensation language, political subdivisions, and makes several technical changes within the law. It amends the retirement law by making various changes to TCRS relative to those provisions governing the servicing of the system and certain re-employment provisions.

**HB 3415 (Curtiss)** -- This bill requires any nursing home without a sprinkler system to provide a smoke alarm in each patient's room within 90 days. The smoke alarm may be a single station alarm or a series of smoke detectors connected together at a central alarm panel. The same nursing homes must submit a plan to install such a system to the Department of Health. This bill provides that facilities with more than one floor must submit plans within six months and ground floor-only-facilities must submit plans no later than 11 months from the effective date of the legislation. Facilities may choose to completely replace the existing facility with a new structure and must submit a letter of intent to replace the facility along with estimates of the completion date. Failure to comply with these requirements would be grounds for discipline or licensure action. The bill will take effect upon becoming law. Funding for this bill will be reflected in the Administration's Appropriation Amendment.

**HB 2651 (Brooks (Shelby))** -- As amended in Judiciary, this bill creates a pilot project for the Tennessee Highway Patrol to participate in a racial profiling study. The comptroller would provide a form to be used by highway patrolmen when traffic stops occur. The highway patrol would submit this data to the comptroller on a monthly basis, beginning no later than February 1, 2005. The comptroller would report the results of the pilot project to the Governor and General Assembly no later than April 1, 2006. The pilot project would be in effect until July 1, 2006. The Comptroller's Office indicates that the cost of forms and any staffing needs can be absorbed within their budget by re-allocating the necessary resources to carry out the purposes of the bill.

**HB 2600 (Tindell)** -- This bill, as amended in State and Local Government, allows industrial development corporations to prepare economic impact plans and permit property tax revenue to be used for improvement of projects of such corporations or industrial parks. It clarifies that taxes that would have been payable to a city, town or county, that is not the municipality that

created the industrial development corporation, shall not be paid to the corporation unless the city, town, or county has also approved the economic impact plan.

**HB 2343 (Ferguson/Overbey)** -- As amended in Judiciary, this bill establishes the "Elder Protection Act of 2004", which will provide standards for detaining individuals who are charged with elder abuse. Issues related to financial institutions that act as trustees are also addressed within the bill as amended and doctor offices, health care facilities, senior centers, community centers, and pharmacies are required to post contact information for reporting elder abuse, neglect, or exploitation.

**HB 3406 (Hargrove)** -- As amended in Commerce, this bill establishes the "Assistive Telecommunications Device Distribution Program Renovation Act" and makes the program originally created for the deaf now also for the disabled. The legislative intent is defined within the amended bill stating, "It is the legislative intent that such program be designed with consideration of fair distribution of equipment that is technologically available and economically feasible to be provided to assist individuals with any disability using the basic telephone network."



*Rep. McMillan*

**HB 3451 (McMillan)** -- This bill repeals current law requiring the Registry of Election Finance or the county election commission, whichever is applicable, to send notifications to candidates when a person inspects such candidate's campaign finance statements. The bill also repeals the requirements for identification verification of those persons requesting to see such documents.

**HB 3453 (McMillan)** -- As amended in Judiciary, this bill allows payments from the Criminal Injury Compensation Fund to certain family members of victims for unreimbursed or unreimbursable mental health counseling or treatment up to \$3,500. The amended bill clarifies that a relative of a victim would be compensated for mental health counseling by the criminal injuries compensation fund. It also specifies the

situations in which a family member would be compensated for mental health counseling by referencing certain sections of the Code. The effective date is changed so that the provisions of this bill would become effective on July 1, 2004, and would also apply to all claims for compensation filed on or after July 1, 2004.

**HB 3459 (McMillan)** -- This bill provides for community development agencies in Montgomery County to be considered as housing authorities and have the powers outlined for such authorities with regards to redevelopment.

**HB 2883 (S. Jones)** -- This bill, as amended, enacts the Calling-for-2-1-1 Act, which authorizes the Tennessee Regulatory Authority to grant, on a one-time basis, \$400,000 from the Public Utilities Account for start-up costs, to establish a 2-1-1 Collaborative for the State of Tennessee for the purpose of creating a statewide 2-1-1 service network and submit grant requests to the federal government for funding. The 2-1-1 network would provide information and referral to citizens on services provided through human services agencies and programs, to assist in helping individuals and families navigate the complex maze of human service agencies and programs, including community-based and faith-based organizations and governmental agencies.

**HB 2366 (Bowers)** -- This bill authorizes the Shelby County Commission to designate a division of the county's general sessions court as the mental health court. It specifies that such court is granted the power to hear cases involving petitions filed under Title 33 (Mental Health Law) and mental health commitments. Furthermore, the court shall strive to identify and provide treatment and services to the mentally ill, developmentally disabled or dually diagnosed or persons with a history of alcohol or drug abuse, provide a single point of contact, and provide case management, forensic alternative community treatment and community-based services

**HB 883 (Bowers)** -- As amended in Consumer and Employee Affairs, this bill urges the prevailing wage commission to continue its efforts to develop an internet application for the submission of survey forms by contractors and periodically update the general assembly on the developmental progress. A typographical error was fixed within the bill with the Consumer and Employee Affairs Committee second amendment.

**HB 3519 (McMillan/Harmon)** -- This bill authorizes the Commissioner of the Department of Safety to require payment of international fuel taxes by cash, money order, certified check, or cashier's check. Currently, this may be done only in instances where the permittee or licensee has had two checks dishonored in one calendar year.

#### **Budget Subcommittee**

**Wednesday, March 31, 2004**

The Budget Subcommittee of the House Finance, Ways, and Means Committee met to discuss 43 bills on the regular subcommittee calendar this week, and 8 bills on the addendum.

#### **Actions of the Budget Subcommittee are as follows:**

Action on the following bills was deferred for one week:

**HB 770 (Patton), HB 2302 (Rowland), HB 2271 (DeBerry J), HB 1474 (Briley), HB 2148 (Matheny), HJR 776 (Cooper B), HB 76 (Buck), HB 3336 (Maddox), HB 3508 (McMillan), HB 3537 (McMillan/Pinion), HB 2565 (Winningham), and HB 2659 (Briley).**

The Subcommittee first amended and then deferred action on **HJR 816 (Bowers), HB 3345 (Armstrong), HB 2519 (Turner M), HB 2554 (Overbey), HB 131 (Buck) and HB 3302 (Black)** for one week.

**HB 2936 (Rinks), HB 3092 (Rinks), HJR 818 (Rinks) and HB 2502 (Langster)** were deferred for two weeks.

Bills that were placed behind the budget include **HB 3457 (McMillan), HJR 990 (Dunn), and HB 3088 (Maddox).**

**HJR 868 (Dunn), HJR 782 (Casada), and HB 2917 (West)** were taken off notice.

Action on the following bills was deferred to the last calendar: **HB 2634 (Cridler), HB 2621 (Todd), and HB 3320 (Curtiss).**

**HB 2652 and HR 96**, both by **Representative Cooper**, were referred to Speaker Pro Tempore DeBerry's committee on special study committees.

**HB 2228 (Dunn)** died for lack of a motion.

**The following bills were referred to the full Finance, Ways, and Means Committee:**

**HB 3544 (McMillan/Miller L)** -- As amended in the Budget Subcommittee, this bill would provide the Department of Revenue with the authority to accept credit cards, debit cards or other similar financial transaction cards for payment of taxes. The department would have the power to wholly or partially offset any cost for accepting payment in this manner. The amendment also specifies the manner in which a taxpayer could file for an extension for Franchise and Excise taxes by allowing the taxpayer to submit a copy of the taxpayer's request for an automatic extension for filing federal income taxes for the same tax period. Additionally, the amendment allows the Commissioner of the Department of Revenue to enter into compliance agreements with taxpayers. As amended, this bill would also provide for a penalty of 50% of the amount of underpayment for negligent non-payment or non-reporting of taxes due, when the taxpayer fails to disclose any transaction to the department of revenue.

**HB 3480 (McMillan)** -- As amended in Budget Subcommittee, this bill makes technical changes to the law and does the following:

- Permanently repeals the professional privilege tax exemption for state employees.
- Changes the percentage of sales tax distributions to total 100%. Currently, the total of all allocations within the code is 100.067%.
- Deletes from the wrong section of code, and then replaces in the correct section, the 9% reduction in state-shared funds from local governments.
- Provides a definition of "affiliated business entity" for business tax purposes.
- Clarifies the definition of service for business tax purposes to indicate that "services for profit or monetary gain does not include services rendered by a person for an affiliated business entity, provided that the services are accounted for as allocations of cost incurred in providing the service without any markup whatsoever".
- Allows companies claiming the jobs tax credit a two year extension, rather than the one year extension provided in current law, to meet the minimum investment requirement for the tax credit.
- Provides a definition of "good cause" indicating that such term would include, but not be limited to, a determination by the Commissioner of the Department of Economic and Community Development that the capital investment or jobs are a result of the credit provided in Section 67-4-2109(c)(2)(G).

- Increases the amount of the jobs tax credit against franchise and excise taxes from \$3,000 to \$4,500 in an economically distressed county.
- Stipulates that when any gain not already included in a taxpayer's net earnings or loss on the sale of an asset distributed by the taxpayer to an entity or individual not otherwise subject to excise tax, when such asset is sold within 12 months of the date of distribution, the gain on such a sale is recognized by the taxpayer making the asset distribution rather than the seller.
- Requires entities or individuals not otherwise subject to the excise tax to pay 6.5% of the gain on the sale of an asset under specific circumstances related to the transfer of that asset within 12 months prior to the sale.

**HB 2629 (Buttry)** -- As amended in Budget Subcommittee, this permissive legislation *allows* all law enforcement agencies to open their shooting ranges for public use when not being used by law enforcement personnel. It provides for agencies to establish regulations and a reasonable fee to be charged for persons or organizations using such shooting ranges. Furthermore, it specifies that users of the shooting ranges may be required to make improvements to the range.

**HB 226 (Hackworth)** -- As amended by the State and Local Government Committee, this bill authorizes a local government to create, *upon adoption of a resolution by a two-thirds vote by the local legislative body*, a grant program for revitalization of substandard residential rental property located in an older residential neighborhood. The amendment outlines the minimum requirements for the grant program and authorizes the local government to establish additional penalties for failure to utilize the grant funds in accordance with the program. In addition, the bill, as amended, specifies that failure to utilize grant funds in accordance with the program is theft of property and punishable as such. Before adoption of the required resolution, the local government is required to hold a public hearing after providing proper notice in a newspaper of general circulation.

**HB 3539 (McMillan/Fitzhugh)** -- Enacts the Industrial Loan and Thrift Companies Act (TILT Act) and the Residential Lending, Brokerage and Servicing Act (Mortgage Act). This bill is a predatory lending bill in response to the federal rule that preempts



**Rep. Fitzhugh**

state laws regulating federal banks. The bill bolsters current Tennessee law to increase penalties from \$500 to \$10,000 for violations. Further, since no current method exists to know the identities of the mortgage loan originators, this bill would establish registration requirements for such originators.

**HB 3288 (Head)** -- Under this bill, as amended by the Budget Subcommittee, the present law authority to pledge fees received from a public works project to pay the principal and interest on local government revenue bonds would be extended so that such fees could also be pledged to pay obligations of any local government under any associated interest rate agreement. The amendment specifies that the provisions of the bill apply to any governmental entity created by private act which has the power to issue revenue bonds and enter into interest rate agreements.

**HB 2322 (Hargett)** -- This bill prohibits the reimbursement for airplane travel in excess of standard coach fare for the applicable flight, to any official, officer or employee of state government or the University of Tennessee Board of Trustees or the State Board of Regents, or any institution under their control.



**Rep. Hargett**

**HB 3134 (Armstrong)** -- As amended by the Health and Human Resources Committee, this bill requires all hospitals licensed by the Department of Health or the Department of Mental Health and Developmental Disabilities to submit a joint annual report on patient statistics 105 days after the end of their fiscal year. Requires hospitals to provide corrections to the joint annual report to the Department of Health within 15 business days of notification. Authorizes the Department of Health, after consultation with the Tennessee Hospital Association, to request early completion of the report, portions of the report, or special reports. Requires the Department of Health to compile, finalize, and make available an electronic compilation of the statistics reported by the hospitals by November 1 each year.

**HB 2830 (Hood)** -- As amended by the House Commerce Committee, this bill requires state employed fire prevention and building officials to be certified by the State Fire Marshal to the same degree as municipal and county fire prevention and building officials on

January 1, 2005. Requires the State Fire Marshal to accept certification from the National Fire Protection Association to satisfy certain standards. Removes the exception that certain experienced municipal and county building inspectors do not have to be certified. The amendment on the bill removes the grandfather clause for certain experienced municipal and county officials. Letters were obtained from the Dept. of Health and the Dept. of Commerce and Insurance showing absorption of the remaining costs for the bill within the departmental budgets.

**HB 3181 (Overbey)** -- This bill exempts diversified investing funds from franchise and excise tax liability.

**HB 2263 (Cooper B)** -- As amended in Judiciary, this bill specifies that the court clerk has five years from the execution on a judgment for the state against a defendant or the defendant's surety for the amount of bail and costs to demand collection on such judgment.

**HB 1418 (McCord)** -- As amended by the Conservation and Environment Committee, this bill states that persons, including but not limited to owners and operators of agricultural land, whose storm water runoff is not discharged into storm water flood control facilities of a municipality, shall be exempt from payment of the graduated storm water user fee.

**HB 2781 (Todd)** -- This bill authorizes the Private Probation Services Council to assess and enforce civil penalties for violations of statutes, rules or orders enforceable by the Council. It also authorizes the Private Probation Services Council to establish fees sufficient to cover expenditures.

**HJR 861 (Brooks, Shelby)** -- As amended by the Judiciary Committee, this bill encourages all law enforcement agencies in Tennessee that have yet to undertake a study of possible racial profiling practices in their departments to conduct such study as soon as possible. The bill also encourages all law enforcement agencies to provide anti-racial profiling training for their officers on a continuing basis. The bill's amendment inserts a clause stating that "the Commission on Accreditation for Law Enforcement Agencies requires accredited agencies to adopt policies prohibiting the use of race, ethnicity, national origin, or religion as the primary factor in deciding who is subject to law enforcement investigations, and those law enforcement agencies in Tennessee that are accredited by the Commission on Accreditation for Law Enforcement Agencies do have policies prohibiting racial profiling".

**HB 3112 (Bowers)** -- As amended by the Children & Family Affairs Committee, this bill requires the court to consider all children for which an obligor is legally responsible for the purposes of calculating child support and deviating from the child support guidelines and equitably allocate child support. This amendment also deems that the birth or adoption of another child for whom the obligor is legally responsible would be a material change in circumstances for the purposes of seeking review of an existing order. If the addition of the child results in a significant variance, the court may modify the support order. Furthermore, it establishes a significant variance threshold of 7 ½% of the difference between the current child support order and the proposed order for low-income persons.

**HB 3510 (McMillan/Winningham)** -- As amended by the Education Committee, this bill, the Administration's Teacher Pay Equity bill, is composed of two basic components: (1) a change in the funding formula and (2) an improved salary distribution system.

**HB 3526 (McMillan/Armstrong)** -- This bill repeals the law concerning "toughman" or "badman" matches, therefore rendering them illegal.

## **Government Operations**

*Kristina Ryan*

### **Joint Government Operations Subcommittee**

**The Agriculture and Natural Resources Subcommittee** of the joint Government Operations Committee met Monday afternoon to review the sunset hearing on the Department of Agriculture. Commissioner of Agriculture Ken Givens represented the department and Michael Huffaker represented the Division of Audit. The audit had only two negative findings on the department, which include:

- The Division of Forestry has not required its fire-fighting staff to meet any physical fitness standards
- The Pest Control Section cannot ensure that all pest control businesses have been inspected, nor does the Section maintain a database allowing management to effectively oversee the handling of complaints against pest control operators.

The department concurred with both audit recommendations and has pledged to improve these areas. Auditors noted some observations that did not

warrant an actual finding. Some of these observations include that the department does not have an internal auditor, most of the department's regulatory programs are not financially self-sufficient, and needed improvements in the weights and measures section. Overall, the subcommittee was satisfied with the department's progress and a motion was made by Senator Burks to extend the department for four years, which passed unanimously.

### **Full Committee**

The **Government Operations Committee** met on Tuesday morning to consider seven bills on the calendar. **HB 2794** (Ferguson) and **HB 1024** (DuBois) were rolled for one week and **HB 2623** (Godsey) was rolled for two weeks.

The committee referred **HB 3005** by Representative Armstrong to the Health and Human Resources Committee. This legislation would establish the VolunteerCare Health Insurance Program. An amendment that will be presented to the Health and Human Resources Committee would rewrite the bill. The committee agreed to send a report to the Health and Human Resources Committee that would state that since the bill will be re-written in the Health Committee, the bill is not reviewable since the amendment would make the bill.

**HB 3368** by Representative John DeBerry was reviewed and referred to the Health and Human Resources Committee. The bill would require the Department of Human Services to promulgate rules and regulations requiring the installation of security alarm systems in all child care vehicles.

After some discussion, **HB 2460** (Kernell) was rolled for one week. This sunset legislation would extend the Tennessee Higher Education Commission for two more years. There was a lot of debate over whether two years was a long enough extension for the entity. As a result, an ad hoc committee was appointed to meet and review the THEC audit hearings that were heard several months ago.

**HB 2459** by Chairman Kernell was rolled for one week. This sunset bill would extend the Tennessee Student Assistance Corporation until June 30, 2008. Chairman Kernell wanted TSAC Executive Director Mike Roberts to have the opportunity to come and testify about the new rules TSAC has adopted to the full committee before voting on the bill.

## **Health & Human Resources**

*Judy Narramore*

### **Full Committee**

The **Health & Human Resources Committee** met at noon on Tuesday, March 30, 2004, to consider 15 bills and 2 resolutions. The committee also heard testimony relating to child fatalities in Tennessee.

Six bills and one resolution were referred to C&R. **HB 3515** by Rep. McMillan, Rep. Fowlkes exempts mental health residential treatment facilities from CON requirements. **HB 3488** by Rep. McMillan, Rep. Hargrove requires an applicant to pass the United States Medical Licensing Examination within seven years of completing whichever step of the exam was completed first. The Board of Medical Examiners would still be authorized to make exceptions to the timeframe under this bill. **HB 3310** by Rep. Hagood as amended authorizes the EMS Board to waive any fees for non-profit organizations that provide air ambulance services for indigent patients. The amended bill requires such air ambulance organizations to operate under Federal Air Regulations and to use pilots with a commercial certificate with instrument rating. **HB 3516** by Rep. McMillan, Rep. J. DeBerry as amended makes several housekeeping changes in Title 33 concerning job title terminology, *caregivers*, treatment review committee authority, and the conflict resolution process. The amendment corrects a typographical error in the code reference in Section 7 and clarifies the Department's responsibility to perform background checks on employees and volunteers. **HB 3500** by Rep. McMillan, Rep. L. DeBerry codifies the Office of Minority Health in the Department of Health, specifies its responsibilities, and authorizes an advisory council. **HB 2949** by Rep. Overbey as amended requires nursing homes, assisted care living facilities, and residential homes for the aged to maintain evidence of liability insurance. **HJR 0998** by Rep. Patton recognizes the seriousness of the chronic medical condition known as reflex sympathetic dystrophy syndrome (RSDS), offers support for programs to research, diagnose, and treat RSDS, and requests the Tennessee Medical Association to include RSDS in its educational efforts.

Two bills were referred to FW&M. **HB 3449** by Rep. McMillan requires outpatient diagnostic centers (ODCs) to obtain a license. Independent ODCs would pay an annual license fee of \$800 but hospital-based ODCs would be exempt from this annual fee. ODCs would be required to report all claims data on every discharge to the Department of Health and to file a joint annual report

with the Department. **HB 1387** by Rep. McMillan as amended dissolves the State Health Planning and Advisory Board and transfers its functions to the Department of Finance & Administration, effective July 1, 2004. The amended bill allows the Department of Finance & Administration to establish and staff a Planning Division, establishes guidelines for the State Health Plan, and authorizes certain changes to existing CON processes.

Rep. Pruitt offered an amendment to **HJR 0792** that would rewrite the resolution to create a House task force to study violent deaths among children in Tennessee. In addition, the committee heard testimony from representatives of the statewide child fatality review teams and the Commission on Children and Youth. The resolution was rolled one week for review of the proposed amendment.

**HB 2656** by Rep. Cooper (vision and dental) was re-referred to the Public Health & Family Assistance Subcommittee. The following bills were rolled one week by the respective sponsors: **HB 2249** by Rep. Curtiss (licensure as amended), **HB 2350** by Rep. Briley (nursing home personal allowance), **HB 2528** by Rep. Sharp (special volunteer license), and **HB 3026** by Rep. Hargrove (J-1 Visa program). Rep. Towns took **HB 1169** and **HB 1171** off notice.

### Mental Health Subcommittee

The **Mental Health Subcommittee** is closed subject to the call of the chair.

*The Mental Health Sub is now closed.*

### Professional Occupations Subcommittee

The **Professional Occupations Subcommittee** met Wednesday morning, March 31, 2004, to consider eight bills. Two bills were referred to full committee. **HB 3131** by Rep. Briley as amended requires physicians that use "up-charge" billing for laboratory services to disclose on the bill the name and address of the laboratory and the net amount paid/to be paid to the laboratory for pathology or cytology services. **HB 3463** by Rep. McMillan as amended revises the scope of practice for dentists and dental assistants and allows reciprocity to out-of-state specialty certification for dentists if the requirements in the original state are similar to those in Tennessee. The amendment deletes

language from the printed bill that authorized hearing officers to hear contested cases.

**HB 2737** by Rep. Bunch concerning written disclosure by physicians that refer patients to facilities in which they have a financial interest was discussed, including the amendment offered by Rep. Bunch, and ultimately deferred to 2005. Rep. Armstrong presented **HB 2694** concerning legibly printed prescriptions by specified providers. The bill was rolled one week with an amendment offered by Rep. Armstrong that adds language to the bill concerning electronic prescription orders and adds nurse practitioners and physician assistants to the list of providers.

The remaining bills on calendar were rolled one week: **HB 3159** by Rep. DuBois, **HB 3282** by Rep. Odom, **HB 3346** by Rep. Maddox, and **HB 1149** by Rep. J. DeBerry.

### Public Health & Family Assistance Subcommittee

Wednesday morning, the **Public Health & Family Assistance Subcommittee** had 12 bills on calendar, referring one to full committee. **HB 3343** by Rep. Armstrong creates a Department of Aging and Disability to assume all duties of the Commission on Aging and Disability. The Department would be under the general supervision of the Commissioner of Revenue. The Commission on Aging and Disability would be abolished and all its employees and records would be transferred to the Department.

Rep. Harwell presented **HB 2193** and offered an amendment that rewrites the bill. The amendment changes the definition of a drop-in center to allow for increased hours of care daily and weekly and changes existing statute to allow a parent to be at work during the time a child is at a drop-in center.



*Rep. Harwell (foreground)*

The subcommittee discussed **HB 2193** at length, including testimony from the Department of Human Services, before voting to defer the bill to 2005. Rep. Odom presented **HB 3003** concerning guidelines for regulation and licensure of permanent cosmetic technicians and operators. Rep. Odom offered an amendment that corrects drafting errors in the printed bill concerning licensure fees. The bill was discussed at



length, including testimony from the Department of Health, and then rolled one week for consideration of additional amendatory language.

The following bills were rolled one week: **HB 1485** by Rep. Rowland, **HB 2712** by Rep. Cochran, and **HB 3106** by Rep. Ferguson. The remaining bills on calendar were taken off notice: **HB 1060** by Rep. McCord, **HB 1295** by Rep. Ferguson, **HB 1404** by Rep. Davis, **HB 1889** by Rep. Winningham, **HB 2922** by Rep. Sontany, and **HB 3324** by Rep. Windle.

### **Health Care Facilities Subcommittee**

The **Health Care Facilities Subcommittee** is closed subject to the call of the chair.

*Health Care  
Facilities is now  
closed.*

## **Judiciary**

*Paige Edwards*

### **Criminal Procedure & Practice Subcommittee**

On Tuesday, the **Criminal Procedure & Practice Subcommittee** met to consider 15 bills. **HB 2715** by Representative Hargett was taken off notice. **HB 2653** by Representative Cooper, **HB 2961** by Representative Lynn, **HB 2405** by Representative Mumpower, **HB 2734** by Representative Bunch, **HB 3186** by Representative Rinks, **HB 3332** by Representative Bowers, **HB 2812** by Representative Matheny, and **HB 95** by Representative Buck were rolled for one week.

The following six bills were approved for passage and were **referred to the full committee**:

- **HB 3398** by Representative Newton adds 'a reckless killing of another while evading arrest' to the definition of second degree murder. Under present law, second degree murder is punishable as a Class A felony. The intent of this bill is to fill a gap in the law.
- **HB 3454** by Representative McMillan, as amended, revises the present law for the payment of DNA analysis when a post-conviction defender files a petition requesting DNA analysis of any evidence that is related to the investigation or prosecution that resulted in the conviction. Under this bill, payment shall be made from the appropriations made for the

indigent defendants' counsel in the annual appropriations act. Under present law, the DNA analysis is funded through the Criminal Injuries Compensation Act.

- **HB 3458** by Representative McMillan, as amended, revises the definition of aggravated cruelty to animals. Under this bill, aggravated cruelty to animals would include failing to provide food and water to a companion animal resulting in a substantial risk of death or death. Also, the court may order the owner of a seized animal to post a bond for expenses incurred by the animal control agency or humane society that cares and provides for the seized animal.
- **HB 2650** by Representative Fowlkes, as amended, revises the law related to issuing a criminal summons or an arrest warrant. This bill represents the compromise that resulted from the interested parties. This bill provides that a criminal summons or an arrest warrant may be issued by a judge, depending upon the circumstances surrounding a particular case. Also, this bill clarifies that a judge always has the discretion to issue an arrest warrant. This bill would eliminate the booking process that is contained in the present law.
- **HB 3268** by Representative Cochran, as amended, adds another instance in which a law enforcement officer may arrest a person without a warrant. Under this bill, a law enforcement officer has the authority to arrest a person without a warrant when such person flees the scene of an accident, is apprehended within four hours of the accident, and there is probable cause to believe that the person committed a DUI violation. **HB 3268** received a favorable recommendation from the **Joint Ad Hoc Committee on Issues Involving Alcohol & Citizen Responsibility**.
- **HB 2560** by Representative Winningham, as amended, creates a Class A misdemeanor offense for any person to knowingly issue, sell or manufacture a false academic degree. Also, this bill creates a Class C misdemeanor offense for a person to knowingly use or claim to have a false academic degree to obtain employment, a promotion in employment, or admission to a college, university, or other institution of higher learning. This bill would not prohibit institutions from issuing honorary degrees.

Next week, the **Criminal Procedure & Practice Subcommittee** will consider legislation relating to the use and production of methamphetamines. Bills that were referred to the **Joint Ad Hoc Committee on**

**Methamphetamines and Related Offenses** will be considered. The subcommittee meets on Tuesday, April 6, at 9 a.m. in LP 30. Those bills that will be considered are referenced by the following list:

*Reminder: Criminal Sub  
will consider "meth" bills  
Tuesday, April 6th at 9 am.*

**HB 2599 by Representative Hackworth**  
**HB 2812 by Representative Matheny**  
**HB 2824 by Representative Buck**  
**HB 2598 by Representative Hackworth**

### **Constitutional Protections Subcommittee**

On Tuesday, the **Constitutional Protections Subcommittee** met to consider eight bills. HB 2852 by Representative Winningham, HB 3232 by Representative McKee, HB 3324 by Representative McCord, and HB 3294 by Representative Harwell were rolled for one week. HB 1710 by Representative Hargett, which failed in the subcommittee last year, did not receive enough votes for reconsideration.



The following three bills were approved for passage and were referred to the full committee:

- **HB 2170** by Representative Turner (Davidson) amends the sexual offender registration and monitoring act. This bill requires the releasing authority to send the name of the sexual offender and related information to the TBI within ten days of release from probation, parole, or any other alternative to incarceration or of discharge from incarceration without supervision. Also, this bill requires the sexual offender to pay a \$100.00 registration fee to be paid at the time the initial registration/monitoring form is delivered to the TBI headquarters, subject to a waiver. This bill creates a Class E felony for the knowing failure to deliver the initial registration/monitoring form to the TBI headquarters and such failure would

constitute sufficient grounds for revocation of probation, parole, or any other alternative to incarceration.

- **HB 2208** by Representative Brooks (Knox) revises the records system under the sexual offender registration and monitoring act. Primarily, this bill requires the TBI to place the name and address of any institution of higher education in the state at which the sexual offender is employed, carries on a vocation, or is a student on the state of Tennessee's internet home page. This information would apply to sexual offenses committed between July 1, 1997 and October 27, 2002.
- **HB 2700** by Representative Cochran authorizes a criminal background check on any person who is employed as an EMT or who is applying for employment as an EMT. The employer would pay for criminal background investigations on current employees. The applicant for an EMT position would pay the costs associated with the criminal background investigation.

### **Judicial Administration Subcommittee**

On Tuesday, the **Judicial Administration Subcommittee** met to consider 10 bills. HB 3034 by Representative Brown was taken off notice. HB 1924, HB 2742, HB 2730, and HB 2736, all of which are sponsored by Representative Bunch, were rolled for one week. HB 298, HB 299, and HB 300, all of which are sponsored by Representative Cochran, were rolled for one week.

The subcommittee referred **HB 3423** by Representative Fowlkes to the full committee. **HB 3423**, as amended, establishes the "Municipal Court Reform Act of 2004" which will become effective January 1, 2005. This bill represents the compromise that was reached by the joint study committee on municipal courts. This bill establishes jurisdictional limits for municipal judges, creates a uniform appeal period for municipal court judgments, requires city judges and clerks to obtain annual training, addresses speed trap issues, and eliminates judicial bias in municipal courts. This bill requires a clerk to maintain municipal court records for auditing purposes. This bill creates a uniform procedure for local governments to create municipal courts with general sessions jurisdiction. Under this bill, provisions relating to litigation taxes are placed in one section of the code. Furthermore, this bill establishes the Tennessee Municipal Judges Conference.

*continued*

Also, the subcommittee referred **HB 3113** by Representative Brown to the full committee. **HB 3113**, as amended, authorizes Hamilton County to establish judicial commissioners to assist the general sessions court. This bill specifies the judicial commissioner's duties, term of office, and compensation. This bill results from recent litigation concerning a private act for Hamilton County.

### **Civil Procedure & Practice Subcommittee**

On Wednesday, the **Civil Procedure & Practice Subcommittee** met to consider 22 bills. HB 2631 by Representative Gresham was taken off notice. HB 3326 by Representative McCord was rolled to the last calendar. The following five bills were approved for passage and referred to the full committee:

- **HB 821** by Representative Overbey, as amended, relates to the judgment debtor who has admitted the debt and is paying the debt by installment payments. Under this bill, the debtor shall not stay the issuance, execution, or return of any writ of garnishment against wages or salary due the debtor or any satisfaction or payment of or upon the judgment.
- **HB 1569** by Representative Briley, as amended, authorizes a licensed collection service to take assignment of accounts, bills, notes, or other indebtedness held by another person or entity for the purpose of billing, collecting, or filing suit under the collection service's name as the real party in interest. This bill establishes requirements that must be met before the collection service can properly file suit. Also, this bill addresses jurisdictional issues, legal representation, and issues involving the consolidation of debts for a case. This bill would not affect the "Fair Debt Collection Practices Act" under federal law. 20 states have adopted similar legislation.
- **HB 2787** by Representative Hargrove, as amended, establishes a procedure for bringing actions against a contractor, subcontractor, supplier, or design professional related to an alleged construction defect. This bill states that payment of a settlement does not constitute an admission of liability with respect to the defect.
- **HB 3404** by Representative Hargrove, as amended, revises the law relating to fiduciaries. This bill authorizes the judge to waive the three-day time period requirement for guardian ad litem to submit a written report prior to hearing a matter. Also, this bill clarifies that the court would be authorized to

revoke or amend a durable power of attorney for healthcare and replace the attorney in fact designated in such power of attorney. A fiduciary appointed by the court would not have this authority notwithstanding the Uniform Durable Power of Attorney Act.

- **HB 2924** by Representative Head creates two defenses to a claim that a contractor, subcontractor, or other person misused contract payments for the improvement of real property. Under this bill, there would be no violation when funds are distributed pursuant to a written agreement. Likewise, there would be no violation when the use of the funds received and deposited in a business account for use on multiple construction projects is based upon allocation of costs and profits according to generally accepted accounting principles for construction projects. This bill states that the use of a single business bank account for multiple projects shall not be evidence of intent to defraud.

The remaining bills on the calendar were rolled for one week.

Next week, the

**Civil Procedure & Practice Subcommittee** will hear bills that were referred to the **Joint Ad Hoc Committee on Tort Reform**. These bills will be considered during the regular meeting time on Wednesday, April 7th at 12:00 p.m. in LP 30. The following list references the tort reform bills that will be considered:

**HB 67** by Representative Overbey  
**HB 640** by Representative Maddox  
**HB 986** by Representative Overbey  
**HB 655** by Representative Stanley  
**HB 1436** by Representative Overbey  
**HB 854** by Representative Sargent  
**HB 1437** by Representative Overbey  
**HB 1005** by Representative Clem  
**HB 1441** by Representative Overbey  
**HB 1007** by Representative Clem  
**HB 1454** by Representative Overbey  
**HB 1085** by Representative L. DeBerry  
**HB 113** by Representative Buck  
**HB 1356** by Representative Curtiss  
**HB 130** by Representative Buck  
**HB 1358** by Representative Newton  
**HB 1413** by Representative Buck  
**HB 1842** by Representative Bunch (continued)

***Reminder: Tort reform bills referred to the Ad Hoc Committee will be heard in Civil Sub next week.***

**HB 1572 by Representative Buck**  
**HB 1843 by Representative Bunch**  
**HB 1896 by Representative Buck**  
**HB 1995 by Representative Briley**  
**HB 1948 by Representative Buck**  
**HB 439 by Representative Bowers**  
**HB 977 by Representative Bowers**  
**HB 1058 by Representative McCord**  
**HB 586 by Representative Shepard**

### **Judiciary Committee**

On Wednesday, the  
**Judiciary Committee**  
 met to consider 56 bills.  
 HB 3007 by  
 Representative Hargrove,  
 HB 2796 by  
 Representative Curtiss,  
 and HB 2421 by  
 Representative Kernell  
 were taken off notice.  
 Representative Todd  
 rolled HB 761 and HB  
 2925 for two weeks.  
 Thirty-seven bills were  
 rolled for one week.



*Rep. Windle confers with  
 Chairman Fowlkes*

The following 12 bills were approved for passage and  
 referred to **Calendar & Rules**:

- **HB 3394** by Representative Shepard requires law enforcement officers who are employed or assigned to a drug task force to meet the minimum certification requirements of the POST commission. These officers would not be entitled to receive a police pay supplement for the certification.
- **HB 2290** by Representative Coleman, as amended, revises the present law related to background investigations for executive or judicial appointees. This bill authorizes the governor or the chief justice of the Tennessee Supreme Court to request a background investigation for prospective appointees. This bill specifies that appointees, who are considered for homeland security positions, would be subject to the background investigation. The TBI would conduct the background investigation and the prospective appointee would pay the costs.
- **HB 2218** by Representative Fowlkes, as amended, authorizes a restricted driver license to include going

to and from college, a court ordered alcohol program, and interlock meetings. As amended, a person would have two options to apply for a restricted driver license. The person could apply to a court in the county of residence or the court that suspended the driver license. The **Ad Hoc Committee on Issues Involving Alcohol & Citizen Responsibility** recommended **HB 2218** for passage.

- **HB 3073** by Representative Fowlkes authorizes the state attorney general to designate an investigator to act with the same authority as a district attorney criminal investigator in connection with criminal matters for which the state attorney general has jurisdiction. The investigator would be required to meet the peace officer standards and training commission standards. The majority of criminal cases investigated by the attorney general's investigator would involve environmental and consumer protection issues.
- **HR 242, HR 243, and HR 244** by Representative Fowlkes amend the rules of procedure for cases involving the termination of parental rights. These resolutions contain amendments to the rules of civil procedure, appellate procedure, and juvenile procedure.
- **HB 2547** by Representative Fowlkes, as amended, revises the present law for authenticating an instrument or document for registration or recording in the office of the county register. Under this bill, writings that are written in a language other than English would be required to have an affidavit attached with the English translation in order to be recorded by the county register. This bill deletes the Class A misdemeanor offense that is punishable under the present law when the county register receives, files, or records a plat without the approval of the regional planning commission.
- **HB 2354** by Representative Overbey, as amended, provides a method for a counterclaimant to recover contractual attorney fees when the plaintiff voluntarily dismisses an action. The provisions of this bill would only apply if the contract clause providing for attorney fees applies equally to all parties to the contract.
- **HB 2311** by Representative Langster, as amended, relates to witnesses who testify during OSHA investigations. This bill adds that a witness's name, job title, and other identifying information would be confidential. Also, this bill revises the timeframe for a local government to elect whether to be a private employer or develop its own program of compliance under OSHA. Local governments would make this election on or before July 1, 2006 or within two

years following the creation of a government that is created after July 1, 2004.

- **HB 3481** by Representative Turner (Hamilton) authorizes the department of commerce and insurance to query the TBI's criminal history records system in order to obtain criminal history information relative to issuing licenses, permits, and registrations. Also, this information would be used for the investigation of consumer complaints.
- **HB 3501** by Representative Curtiss states that a person or entity, acting in good faith and without malice, would be immune from civil liability for reporting information to the State Fire Marshall.

The following two bills were approved for passage and referred to **Finance, Ways, & Means**:

- **HB 3467** by Representative McMillan, as amended, creates the "Tennessee Sexual Offender and Violent Sexual Offender Registration, Verification, and Tracking Act of 2004." This bill is a comprehensive revision of the law relating to sexual offenders. This bill establishes registration procedures for sexual offenders who reside in Tennessee or another state. The bill shall take effect August 1, 2004. The provisions of the bill pertaining to the TBI shall take effect upon becoming law.
- **HB 3514** by Representative Marrero, as amended, authorizes the use of audio-visual technology during proceedings that involve persons with mental illness. Under this bill, pleadings and certificates of need for care and treatment could be delivered by telefax transmission.



*Rep. Marrero*

## **State & Local Government**

*Lawrence Hall, Jr.*

### **Full Committee**

This week in **State and Local Government**, the full committee passed **HB 3517**, by Rep. McMillan to Calendar and Rules. This bill removes the requirement that the assistant commissioner of the Department of Veteran Affairs or a service officer visit each county seat

monthly within that person's congressional district, but instead allows them to determine when the visits should be made. **HB 2831**, by Rep. Hood was passed to Finance, Ways, and Means. This bill authorizes the payment of \$25,000 to the estate of a firefighter that was killed in the line of duty. **HB 2655**, by Rep. Cooper directs the Department of Corrections and Personnel to conduct a study on education and employment for persons convicted on non-violent crimes and to report the findings by March 1, 2005. This bill was passed to Calendar and Rules. **HB 3525**, by Reps. McMillan and Pruitt will allow employees to purchase state surplus property by internet auction in addition to the regular public auction. This bill passed to Calendar and Rules. **HB 2762**, by Rep. Head will allow the Alcoholic Beverage Commission to retain the money collected from licensure fees. This bill passed to Finance, Ways, and Means. **HB 2625**, by Rep. Dunn will require fiscal review to review state contracts that subsequently exceed the original contracted price by at least 10 percent. This bill was passed to Finance, Ways, and Means. The committee passed **HB 2276**, by Rep. Brooks (Knox). This bill will prohibit sinkhole disposal of solid waste on private land and impose a fine of \$1,000-\$10,000 for violating such law. The committee also passed **HB 3521**, by Rep. Miller to Calendar and Rules. This bill will require the commissioner of General Services to report to the governor and all members of the general assembly the number of solicitations, bids, and dollar amounts of government purchases that have been awarded to all businesses rather than only the small and minority-owned businesses.

### **State Government Subcommittee**

State Government Subcommittee passed **HB 3364**, by Rep. Sontany to the full committee. This bill will allow local jails or workhouses to charge an inmate a nominal fee for services such as scholastic testing or escorts to hospitals or funeral homes. **HB 3365**, also by Rep. Sontany, will allow local jails or workhouses to charge an inmate a co-pay for substance abuse treatment. This bill passed to full committee. **HB 3455**, by Rep. McMillan changes the name "Tennessee executive residence preservation foundation" to "Tennessee Residence Foundation". This bill passed to full committee. **HB 3290**, by Rep. Head will change the criteria for service and the way that members of the Veteran's Homes Board are appointed. The board is currently made of 10 members, 9 of which are required to be honorably discharged veterans. This bill will require that three of the nine be knowledgeable in the area of nursing, three in business management and

accounting, and three be honorably discharged veterans. This bill further gives both speakers some appointing authority.

### **Local Government Subcommittee**

Local Government subcommittee passed **HB 3151**, by Rep. Tindell to full committee. This bill will permit the incorporation as a municipality of an unincorporated area. The bill excludes charter forms of government. **HB 3111**, by Rep. Brooks (Knox) will allow the utility districts boards of commissioners in Grainger and Union counties to approve per diem for up to \$250 per meeting. This bill was passed to full committee.

### **Elections Subcommittee**

The **Elections Subcommittee** is closed subject to the call of the chair.

*Elections Sub is now closed.*

## **Transportation**

*Greg E. Adkins*

### **Full Committee**

The full **Transportation Committee** met on Wednesday, March 31, 2004, and considered thirteen bills.

**HB 2710** by Rep. Cochran passed to C&R.

The bill makes evading a traffic light or stop sign by driving onto or across public or private property an offense punishable by a fine up to \$50. **HB 3298** by Rep. Turner (Hamilton) passed to C&R as amended. The amended bill would make it permissive for a incorporated municipality to determine whether an automobile should be allowed to park within 7.5 feet to 15 feet of a fire hydrant.



*(File Photo)*

The following specialty license plate bills passed to FW&M:

1. **HB 2552** by Rep. Vincent--authorizes the "KAKUS (Michael Appleby Keeping Us Safe) Buckle Up! Drive Safely!" new specialty earmarked license plate.
2. **HB 2893** by Rep. Hensley-- authorizes "The Elephant Sanctuary in Tennessee" new specialty earmarked license plate.

The following highway sign bills passed to FW&M:

1. **HB 3128** by Rep. Windle--"John Douglas Ward Memorial Bridge" sign on S.R. 62 in Morgan County.
2. **HB 3180** by Rep. Fowlkes--"Lawton Tarpley Bridge" sign on U.S. 31-A in Marshall County.
3. **HJR 930** by Rep. Fowlkes--"William Morris 'Doc' Oliver" sign on Highway 31 in Giles County.
4. **HJR 926** by Rep. Rinks--"Leon 'Pete' Turnbow Memorial Bridge" sign on S.R. 69 in Hardin County.
5. **HB 3267** by Rep. Cochran--the amended bill authorizes the "Dr. Herbert 'Booney' Bance, Jr. Memorial Bridge" sign on S. R. 381 in Washington County and is subject to local funding.
6. **HJR 957** by Rep. Clem--"Arnold A. Stulce Interchange" highway sign on U.S. Highway 27 at Harrison Lane.
7. **HB 2959** by Rep. Lynn--"Sergeant Jerry Mundy and Deputy John Musice Memorial Interchange" sign on I-40 in Wilson County.

**HJR 895** by Rep. Cooper was taken off notice. The amended resolution urges the Commissioner of TDOT to study the policies toward the disabled on mass transit systems. **HB 2896** by Rep. Hensley was taken off notice. The amended bill mandated local funding for the "Fred Thompson Boulevard" highway sign on U.S. Highway 43 within the City of Lawrenceburg.

### **Public Safety & Rural Roads Subcommittee**

The **Public Safety & Rural Roads Subcommittee** met on Tuesday, March 30, 2004, and considered five bills. **HB 3104** by Rep. Hood passed to full committee as amended. The amended bill would enact a primary seatbelt law, in which an individual could be pulled over for only a seatbelt violation. **HJR 953** by Rep. West passed to full committee. The resolution creates a joint study committee to study the need for seatbelts on all vehicles used to transport school children.

The following bills were rolled one week: (1) **HB 2588** by Rep. Kernell, and (2) **HB 604** by Rep. J. DeBerry .

**HB 3160** by Rep. Rinks was taken off notice.

## Public Transportation & Highways Subcommittee

### The Public Transportation & Highways

**Subcommittee** met on Wednesday, March 31, 2004, and considered eleven bills.

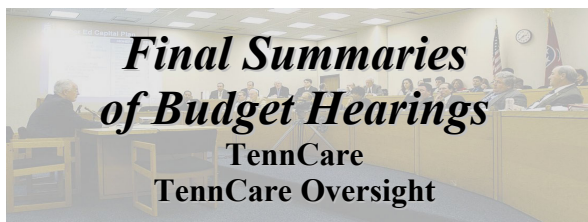
The following highway sign bills passed to full committee:

1. **HB 3412** by Rep. Hargrove--authorizes the "Cookeville Regional Medical Center" Highway sign. The bill was amended to make it subject to local or non-state funding.
2. **HB 3249** by Rep. Davis--designates several segments of Highway in Tennessee as the "Purple Heart Trail." The bill was amended to make it subject to local funding.
3. **HB 3084** by Rep. Hagood--authorizes the "Senator Ben Atchley Bridge" highway sign on S.R. 71 over the Tennessee River in Knoxville. The bill was amended to make it subject to local funding.
4. **HJR 997** by Rep. Buck--authorizes the "Veterans Memorial Bridge" on South College Street over U.S. 70 in Smithville, Dekalb County.

The following bills were rolled one week: (1) **HB 2928** by Rep. Rinks, (2) **HB 2784** by Rep. Windle, (3) **HB 2370** by Rep. Vincent, (4) **HB 3077** by Rep. Ferguson, and (5) **HB 2269** by Rep. Bone (an amendment was added to name all of S.R. 840 the "Tennessee National Guard Parkway").

**HB 2697** by Rep. Kent and **HB 3212** by Rep. Fitzhugh were rolled to the last subcommittee calendar.

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### Department of Finance and Administration Bureau of TennCare

*Matt Barnes*

*Research Analyst, Commerce*

Deputy Commissioner Manny Martins presented the budget for TennCare on March 18. The bureau is proceeding with Governor Bredesen's proposed reforms.

It plans to submit a complete reform package to the Centers for Medicaid and Medicare Services, which must approve some of the reforms before their implementation.

Funding for TennCare's budget is as follows:

State	\$2,490,045,500
Federal	4,905,789,900
Other	134,000
Pharmacy Drug Rebates	423,304,500
Premiums	38,368,500
<b>TOTAL</b>	<b>\$7,857,642,400</b>

The total represents an 8.4 percent increase from the previous fiscal year. Because of the reforms (limiting prescriptions to 6 per month and aggressively pursuing generics), TennCare anticipates savings in the pharmacy program amounting to \$374,099,800, which is made up of \$112, 526,900 in state dollars. However, due to inflation, the bureau also predicts an increase in the pharmacy program in the amount of \$421,264,500, the share of which in state dollars is \$118,939,800. The total increase in state appropriations is \$352,772,300. Deputy Commissioner Martins pointed out none of the increase, whether federal, state, or otherwise, represents new programs; it is for simply maintaining current levels.

### Department of Commerce & Insurance TennCare Oversight Division

*Matt Barnes*

*Research Analyst, Commerce*

Commissioner Paula Flowers, Department of Commerce and Insurance, presented the budget for the TennCare Oversight Division on March 18. With a staff of 21, the division oversees all managed care organizations participating in TennCare to ensure their compliance with applicable federal and state law. The division's budget for the next fiscal year totals **\$2,705,500** in interdepartmental funds transferred from the TennCare Bureau. The division included no reductions in its budget and requested one improvement totaling \$3,700 that relates to the addition of an Attorney 4 position in the Administration Division.